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MANITOBA

ANNUAL REPORT

1982-83

Manitoba Agricultural Credit Corporation

84- 3194 /

MANITOBA

MINISTER OF AGRICULTURE
WINNIPEG
R3C 0V8

To Her Honour
Pearl McGonigal,
Lieutenant-Governor for the Province of Manitoba

Your Honour:

I have the honour to submit herewith the Report of the Manitoba Agricultural Credit Corporation for the period April 1, 1982 to March 31, 1983.

Your obedient servant,

Bill Uruski,
Minister of Agriculture.

MACC
MANITOBA AGRICULTURAL CREDIT CORPORATION

Honourable Bill Uruski,
Minister of Agriculture,
165 Legislative Building
WINNIPEG, Manitoba
R3C 0V8

Dear Mr. Uruski:

I have the honour to submit herewith the Annual Report of The Manitoba Agricultural Credit Corporation and the Financial Statements for the fiscal year ending March 31st, 1983.

Yours respectfully,

Leonard Harapiak,
Chairman,
Manitoba Agricultural
Credit Corporation.

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The Manitoba Agricultural Credit Corporation

Board of Directors

Leonard Harapiak	Chairman
Constance MacDonald	Vice-Chairwoman (April 1, 1982 - December 15, 1982)
Hazel Allan	Vice-Chairwoman (appointed as at December 15, 1982)
Henry Reske	Board Member
Lawrence Bell	Board Member
Hubert Sinclair	Board Member
Patricia Barry	Secretary

Officers

Neil A. Potter	General Manager
J. L. Bodner	Director, Financial and Administrative Services
D. A. Parnell	Director, Program Delivery (appointed as at June 17, 1982)

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Financing of the Corporation

Since its first year of operation in 1959, the Corporation has borrowed its capital from the Province of Manitoba. The capital funds remained with the Corporation to be re-used for lending purposes and the interest on this capital was paid annually to the Province.

Commencing in 1977, arrangements were made to repay capital advances together with interest charges over an amortized period consistent with the term over which these monies were loaned.

Statement of Revenue and Expenditure

Under the Agricultural Credit Corporation Act, the government covers the Corporation's administration and net interest costs. These costs were $4,154 million in the year under review compared to $2,323 million in the previous year, the increase being mainly due to increased administration costs, Young Farmer Rebate payments and reduced real estate sales.

In addition, the Corporation, at the request of the Provincial Auditor, undertook a study to determine the extent, if any, to which land market fluctuations have affected the value of the security originally taken by the Corporation for its loans.

The study indicated that there were loans in which the balance outstanding, including accrued interest, exceeded the current appraised value of the security. The total deficiency was approximately $.228 million which was not assumed by the Province. This amount was funded by a reduction in the Reserve for Working Capital.

Under Part III of the Fisheries Act, the government covers the administration costs and net interest costs of the Fisherman's Loan Program. These costs were $320,000 compared to $348,000 the previous year. The decrease is primarily due to reduced lower interest rates on the advances from the Province of Manitoba.

Operations Review

Active M.A.C.C. Accounts

as at March 31, 1983

1.	Direct Loan Accounts	5,211
2.	Mortgage Purchase Accounts	285
3.	Corporate and Co-operative Loan Accounts	26
4.	Crown Land Purchase Accounts	86
5.	Stocker Accounts	73
6.	Manitoba Beef Stabilization Accounts	95
7.	Manitoba Interest Rate Relief Accounts	587
8.	Beef Producers Income Assurance Accounts	69
9.	Guaranteed Loan Accounts	206
10.	Long Term Lease Accounts	130
11.	Short Term Lease Accounts	22
12.	Farm Diversification Loan Accounts	757
13.	Emergency Fodder Loan Accounts	5
14.	Livestock Grant Accounts	36
15.	Fisherman's Loan Accounts	1,230
TOTAL:		8,818

1982-83 Loan Activity

During the 1982-83 fiscal year, the Corporation's agricultural activities totalled $27.6 million, a decrease of $16.1 million over the previous year.

The most significant decrease was in Direct Loans in the amount of $19.1 million. This decrease was due to a moratorium on financing of land purchases.

Fisherman's Loans for the year totalled $2.5 million, equivalent to the volume of the previous year.

During the year, the Manitoba Beef Stabilization Program and the Manitoba Interest Rate Relief Program were introduced.

Summary of M.A.C.C. Activity

(Compared With Previous Fiscal Year)

	1982-83		1981-82	
	Number	Amount	Number	Amount
Direct Loans	299	16,813,322	578	35,942,243
Corporate & Co-operative Loans	2	680,030	3	611,808
Crown Land Loans	(2)	(15,480)	70	1,001,836
Stocker Loans	52	1,101,448	13	293,002
Manitoba Beef Stabilization Loans	96	1,591,600	—	—
Manitoba Interest Rate Relief Loans	513	2,802,971	—	—
Beef Producers Income Assurance Loans	(2)	(3,015)	7	12,783
	958	22,970,876	671	37,861,672
Guaranteed Loans	124	4,283,500	103	3,838,900
Land Sales	9	318,928	36	1,963,501
	1091	27,573,304	810	43,664,073
Fisherman's Loans — Administered by M.A.C.C. for Department of Natural Resources.	1065	2,525,364	1048	2,506,127
TOTAL ACTIVITY:	2156	30,098,668	1858	46,170,200

Direct Loans

Since its inception in July of 1978, the current direct loan program has generated a loan volume of $110.0 million with $65.2 million of this amount used for land purchases.

Of the $16.8 million approved in direct loans during 1982-83, 13% was used to purchase land, 60% for consolidation of debts, 13% for permanent improvements to land and buildings, and the remaining 14% for equipment, livestock and other purposes. Young farmers were recipients of 82% of the proceeds of the direct loans.

Corporate and Co-operative Loans

During the year under review, $680,030 was approved in loans for corporations. In addition, performance bond guarantees were approved in the amount of $154,270.

Crown Land Loans

During 1980-81, the program was introduced to provide mortgage money to lessees of Crown Lands to purchase the leased land. During 1982-83, the program was discontinued, but re-instated for 1983-84. Total volume under this program is 89 loans for $1,350,775.

Stocker Program

The On-going Stocker Program, designed to provide cattle inventory financing to qualified livestock producers, was introduced by the Corporation on July 9, 1975. During the year 1982-83, there were 52 loans approvals totalling $1,101,448 for the purchase of 2,856 head of cattle. From inception of the program to March 31, 1983, a total of 595 applications had been approved for 31,686 head of cattle with a value of $8,817,162.

Manitoba Beef Stabilization and Marketing Plan Loans

The program was introduced October 27, 1982 to provide financing for farmers who desire to raise their calves to a stocker or slaughter weight. Financing is available in the form of cash advances, custom feeding loans and loans for facility and production improvements.

During the year, 96 loans were approved in the amount of $1,591,600.

Manitoba Interest Rate Relief Program

The program was introduced February 15, 1982 to provide direct assistance for Manitoba farmers in difficulty due to high interest rates and to provide financial counselling through the Manitoba Department of Agriculture.

As at March 31, 1983, there were 756 approvals under this program with 513 applicants having received assistance of $2,802,971 to that date.

Beef Producers Income Assurance Loans

During 1980-81, this program was introduced to make possible termination of the Manitoba Beef Producers Income Assurance Plan agreements by those agreement-holders who wished to terminate their contracts but did not have the money available to pay them out.

Total volume under this program was 83 loans for $115,481.

Guaranteed Loans

The Specific Comprehensive Guaranteed Loans program allows the Corporation to fully indemnify the S.C.G.L. lender from loss after all loan security has been liquidated and all other loan conditions have been complied with.

During the year, 1 loan for $60,000 was approved bringing total activity under this program to 31 loans for $2,124,061.

The Corporation's contingent liability under this program was $1,717,302 at March 31, 1983.

Under the 10% Cumulative Guarantee Program, the Corporation guarantees each lender's loss to a maximum of 10% of the total loans approved during specific time periods.

During the year, 123 new loans totalling $4,223,500 were approved, bringing the Corporation's contingent liability on outstanding loans under this program to $705,082 at March 31, 1983. In addition, 5 guarantees totalling $106,248 were paid by the Corporation bringing the total guarantee payments to $123,693 for the current guarantee periods.

Land Lease Program

Effective October 26, 1977, the Corporation discontinued purchasing land for leasing purposes. After processing of the applications on hand at that date, the Corporation had acquired 223,600 acres at a cost of $22.6 million.

During the fiscal year 1982-83, 9 properties with a total cost of $252,595 were sold to lessees under the terms of the purchase option clauses in their lease agreements. Six of these properties were sold to lessees who obtained their financing from outside sources. The balance were financed by the Corporation.

The total revenue received from the 9 properties sold was $318,928.

Fishermen Loans

During the year, the Corporation approved 1065 Fishermen Loans totalling $2,525,364. This activity level was very similar to 1981-82. Total loans approved since inception of the program is $15,987,091.

To date, the Fisherman's Loan Program has been used by 2174 clients. Because a very high percentage of these fishermen (approximately 89% in 1982-83 and 86% in 1981-82) are returning for supplemental loans every one to two years, it appears that fishermen are making use of this program for their revolving credit needs for capital purchases.

Fisherman Loan Approvals — Total Province

For the Five Years Ended March 31

	1978/79	1979/80	1980/81	1981/82	1982/83
Number	799	926	1022	1048	1065
Amount $	1,341,802	1,407,143	2,002,626	2,506,127	2,525,364

Tables

The following tables summarize a five year period of credit activities which are compared on the basis of purposes of loans, ages of applicants and geographical regions of the Provinces.

I – APPROVED DIRECT LOANS BY PURPOSES

II – APPROVED AGRICULTURAL LOANS BY AGE GROUPS

III – SUMMARY OF PROGRAMS

IV – SUMMARY OF PROGRAMS IN INTERLAKE REGION

V – SUMMARY OF PROGRAMS IN EASTERN REGION

VI – SUMMARY OF PROGRAMS IN CENTRAL REGION

VII – SUMMARY OF PROGRAMS IN SOUTH WESTERN REGION

VIII – SUMMARY OF PROGRAMS IN NORTH WESTERN REGION

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Table I

Approved Direct Loans By Purposes

Percentage Comparison

For the Five Years Ended March 31

	1978-79	1979-80	1980-81	1981-82	1982-83	
	%	%	%	%	%	Amount
PURCHASE OF LAND BY BORROWER	33	69	74	61	13	2,118,707
PERMANENT IMPROVEMENTS, BUILDINGS	9	8	7	8	12	1,970,865
PERMANENT IMPROVEMENTS, LAND	—	—	—	1	1	116,300
CONSOLIDATION OF DEBTS	24	18	12	22	60	10,134,501
PURCHASE OF LIVESTOCK	3	4	5	6	10	1,816,651
PURCHASE OF EQUIPMENT	30	—	1	1	2	292,576
OTHER PURPOSES	1	1	1	1	2	363,722
TOTAL:	100	100	100	100	100	16,813,322

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Table II

Approved Agricultural Loans by Age Groups

For the Five Years Ended March 31

	*YOUNG FARMERS					OTHERS					TOTALS				
	1978-79	1979-80	1980-81	1981-82	1982-83	1978-79	1979-80	1980-81	1981-82	1982-83	1978-79	1979-80	1980-81	1981-82	1982-83
NEW LOANS															
NUMBER	370	325	350	428	144	53	4	5	22	25	423	329	355	450	169
%	87%	99%	99%	95%	85%	13%	1%	1%	5%	15%					
AMOUNT	11,015,238	20,787,087	23,054,685	28,125,639	9,385,373	1,104,655	221,394	312,630	1,276,366	2,184,241	12,119,893	21,008,481	23,367,315	29,402,005	11,569,614
%	91%	99%	99%	96%	81%	9%	1%	1%	4%	19%					
AVERAGE	29,771	63,960	65,871	65,714	65,176	20,843	55,348	62,526	58,017	87,369	28,652	63,856	65,823	65,338	68,459
ADDITIONAL LOANS															
NUMBER	160	69	68	121	113	39	7	7	7	17	199	76	75	128	130
%	80%	91%	91%	95%	87%	20%	9%	9%	5%	13%					
AMOUNT	3,063,120	3,307,087	2,342,102	6,292,188	4,411,402	627,842	43,823	178,103	248,050	832,306	3,690,962	3,350,910	2,520,205	6,540,238	5,243,708
%	83%	99%	93%	96%	84%	17%	1%	7%	4%	16%					
AVERAGE	19,144	47,929	34,442	52,002	39,039	16,098	6,260	25,443	35,436	48,959	18,548	44,091	33,602	51,096	40,336
TOTAL															
NUMBER	530	394	418	549	257	92	11	12	29	42	622	405	430	578	299
%	85%	97%	97%	95%	86%	15%	3%	3%	5%	14%					
AMOUNT	14,078,358	24,094,174	25,396,787	34,417,827	13,796,775	1,732,497	265,217	490,733	1,524,416	3,016,547	15,810,855	24,359,391	25,887,520	35,942,243	16,813,322
%	89%	99%	98%	96%	82%	11%	1%	2%	4%	18%					
AVERAGE	26,563	61,153	60,758	62,692	53,683	18,831	24,110	40,894	52,566	71,822	25,419	60,147	60,204	62,184	56,231

*Young Farmers are those 18 to 39 years of age.

Table III

Summary of Programs

For the Five Years Ended March 31

	1978-79	1979-80	1980-81	1981-82	1982-83
DIRECT LOANS					
No.	622	405	430	578	299
Amount	15,810,855	24,359,391	25,887,520	35,942,243	16,813,322
CORPORATE LOANS					
No.	3	4	1	3	2
Amount	102,408	405,750	50,400	611,808	680,030
CROWN LANDS LOANS					
No.	—	—	21	70	(2)
Amount	—	—	364,419	1,001,836	(15,480)
STOCKER LOANS					
No.	124	40	25	13	52
Amount	2,878,192	1,049,155	590,365	293,002	1,101,448
MAN. BEEF STABILIZATION LOANS					
No.	—	—	—	—	96
Amount	—	—	—	—	1,591,600
MAN. INTEREST RATE RELIEF LOANS					
No.	—	—	—	—	513
Amount	—	—	—	—	2,802,971
BEEF PRODUCERS INCOME ASSURANCE LOANS					
No.	—	—	78	7	(2)
Amount	—	—	105,713	12,783	(3,015)
GUARANTEED LOANS					
— Farm Production					
No.	2	8	56	100	123
Amount	55,275	262,500	1,756,800	3,660,500	4,223,500
— S.C.G.L.					
No.	—	2	25	3	1
Amount	—	263,261	1,622,400	178,400	60,000
LAND SALES					
No.	132	142	86	36	9
Amount	5,115,880	6,299,092	4,777,599	1,963,501	318,928
LAND PURCHASES					
No.	—	—	—	—	—
Amount	47,500	—	—	—	—
TOTAL					
No.	883	601	722	810	1091
Amount	24,010,110	32,639,149	35,155,216	43,664,073	27,573,304

Table IV

Summary of Programs

Interlake Region

For the Five Years Ended March 31

	1978-79	1979-80	1980-81	1981-82	1982-83
DIRECT LOANS					
No.	95	39	52	85	48
Amount	1,910,485	2,066,233	2,740,731	4,544,279	2,677,780
CORPORATE LOANS					
No.	—	—	—	—	—
Amount	—	—	—	—	—
CROWN LANDS LOANS					
No.	—	—	13	36	(1)
Amount	—	—	237,453	519,997	(5,940)
STOCKER LOANS					
No.	17	1	1	1	2
Amount	450,120	(57,500)	45,000	(5,300)	28,549
MAN. BEEF STABILIZATION LOANS					
No.	—	—	—	—	21
Amount	—	—	—	—	304,600
MAN. INTEREST RATE RELIEF LOANS					
No.	—	—	—	—	86
Amount	—	—	—	—	463,222
BEEF PRODUCERS INCOME ASSURANCE LOANS					
No.	—	—	9	7	(1)
Amount	—	—	14,983	13,219	(2,599)
GUARANTEED LOANS					
— Farm Production					
No.	1	1	—	—	—
Amount	20,275	12,000	—	—	—
— S.C.G.L.					
No.	—	—	2	—	—
Amount	—	—	120,000	(30,000)	—
LAND SALES					
No.	10	15	11	—	1
Amount	299,763	616,400	470,161	84,127	32,665
LAND PURCHASES					
No.	1	—	—	—	—
Amount	180,500	—	—	—	—
TOTAL					
No.	124	56	88	129	156
Amount	2,861,143	2,637,133	3,628,328	5,126,322	3,498,277

Table V

Summary of Programs

Eastern Region

For the Five Years Ended March 31

	1978-79	1979-80	1980-81	1981-82	1982-83
DIRECT LOANS					
No.	36	39	50	54	42
Amount	1,223,766	2,594,879	3,181,879	4,156,243	2,980,784
CORPORATE LOANS					
No.	—	1	—	2	1
Amount	(2,529)	190,000	—	161,670	150,000
CROWN LANDS LOANS					
No.	—	—	2	14	—
Amount	—	—	53,316	260,766	—
STOCKER LOANS					
No.	16	2	(1)	(1)	—
Amount	419,690	35,680	(2,600)	47,000	(55,800)
MAN. BEEF STABILIZATION LOANS					
No.	—	—	—	—	4
Amount	—	—	—	—	116,900
MAN. INTEREST RATE RELIEF LOANS					
No.	—	—	—	—	63
Amount	—	—	—	—	346,404
BEEF PRODUCERS INCOME ASSURANCE LOANS					
No.	—	—	11	—	(1)
Amount	—	—	12,286	—	(416)
GUARANTEED LOANS					
— Farm Production					
No.	—	1	—	5	5
Amount	—	27,500	—	141,000	90,000
— S.C.G.L.					
No.	—	—	—	—	—
Amount	—	—	—	—	—
LAND SALES					
No.	3	6	7	4	—
Amount	79,392	158,769	459,361	97,214	—
LAND PURCHASES					
No.	—	—	—	—	—
Amount	—	—	—	—	—
TOTAL					
No.	55	49	69	78	114
Amount	1,720,319	3,006,828	3,704,242	4,863,893	3,627,872

Table VI

Summary of Programs

Central Region

For the Five Years Ended March 31

	1978-79	1979-80	1980-81	1981-82	1982-83
DIRECT LOANS					
No.	134	71	85	85	39
Amount	4,104,946	4,431,920	5,993,099	6,069,932	1,804,924
CORPORATE LOANS					
No.	2	2	—	1	1
Amount	68,937	190,500	—	450,138	530,030
CROWN LANDS LOANS					
No.	—	—	1	1	—
Amount	—	—	11,848	6,120	—
STOCKER LOANS					
No.	7	4	4	—	13
Amount	308,440	344,606	76,100	11,500	286,343
MAN. BEEF STABILIZATION LOANS					
No.	—	—	—	—	19
Amount	—	—	—	—	324,200
MAN. INTEREST RATE RELIEF LOANS					
No.	—	—	—	—	92
Amount	—	—	—	—	510,125
BEEF PRODUCERS INCOME ASSURANCE LOANS					
No.	—	—	9	—	—
Amount	—	—	13,115	—	—
GUARANTEED LOANS					
— Farm Production					
No.	—	1	2	12	17
Amount	—	25,000	55,000	620,000	796,000
— S.C.G.L.					
No.	—	—	4	2	—
Amount	—	—	289,500	155,000	—
LAND SALES					
No.	30	24	9	2	2
Amount	1,178,793	1,110,620	689,613	167,662	116,470
LAND PURCHASES					
No.	(1)	—	—	—	—
Amount	(133,000)	—	—	—	—
TOTAL					
No.	172	102	114	103	183
Amount	5,528,116	6,102,646	7,128,275	7,480,352	4,368,092

Table VII

Summary of Programs

South Western Region

For the Five Years Ended March 31

	1978-79	1979-80	1980-81	1981-82	1982-83
DIRECT LOANS					
No.	294	166	174	237	117
Amount	7,230,459	10,751,101	10,148,413	14,890,989	6,983,215
CORPORATE LOANS					
No.	1	1	1	—	—
Amount	36,000	25,250	50,400	—	—
CROWN LANDS LOANS					
No.	—	—	—	1	—
Amount	—	—	—	25,470	—
STOCKER LOANS					
No.	54	23	16	(1)	29
Amount	1,205,625	494,119	326,550	(20,600)	553,705
MAN. BEEF STABILI-ZATION LOANS					
No.	—	—	—	—	25
Amount	—	—	—	—	387,000
MAN. INTEREST RATE RELIEF LOANS					
No.	—	—	—	—	148
Amount	—	—	—	—	835,044
BEEF PRODUCERS INCOME ASSURANCE LOANS					
No.	—	—	17	1	—
Amount	—	—	23,315	1,221	—
GUARANTEED LOANS					
— Farm Production					
No.	1	4	42	73	92
Amount	35,000	168,000	1,337,950	2,623,000	3,066,500
— S.C.G.L.					
No.	—	2	9	1	1
Amount	—	263,261	587,400	55,400	60,000
LAND SALES					
No.	45	49	26	11	3
Amount	2,190,812	2,549,121	1,971,113	854,351	96,072
LAND PURCHASES					
No.	—	—	—	—	—
Amount	—	—	—	—	—
TOTAL					
No.	395	245	285	323	415
Amount	10,697,896	14,250,852	14,445,141	18,429,831	11,981,536

Table VIII

Summary of Programs

North Western Region

For the Five Years Ended March 31

	1978-79	1979-80	1980-81	1981-82	1982-83
DIRECT LOANS					
No.	63	90	69	117	53
Amount	1,341,199	4,515,258	3,823,398	6,280,800	2,366,619
CORPORATE LOANS					
No.	—	—	—	—	—
Amount	—	—	—	—	—
CROWN LANDS LOANS					
No.	—	—	5	18	(1)
Amount	—	—	61,802	189,483	(9,540)
STOCKER LOANS					
No.	30	10	5	14	8
Amount	494,317	232,250	145,315	260,402	288,651
MAN. BEEF STABILI-ZATION LOANS					
No.	—	—	—	—	27
Amount	—	—	—	—	458,900
MAN. INTEREST RATE RELIEF LOANS					
No.	—	—	—	—	124
Amount	—	—	—	—	648,176
BEEF PRODUCERS INCOME ASSURANCE LOANS					
No.	—	—	32	(1)	—
Amount	—	—	42,014	(1,657)	—
GUARANTEED LOANS					
— Farm Production					
No.	—	1	12	10	9
Amount	—	30,000	363,850	276,500	271,000
— S.C.G.L.					
No.	—	—	10	—	—
Amount	—	—	625,500	(2,000)	—
LAND SALES					
No.	44	48	33	19	3
Amount	1,367,120	1,864,182	1,187,351	760,147	73,721
LAND PURCHASES					
No.	—	—	—	—	—
Amount	—	—	—	—	—
TOTAL					
No.	137	149	166	177	223
Amount	3,202,636	6,641,690	6,249,230	7,763,675	4,097,527

MANITOBA

FROVINCE OF MANITOBA
PROVINCIAL AUDITOR

The Manitoba Agricultural Credit Corporation

Report of the Provincial Auditor's Office

We have examined the financial statements, being Exhibits A to E and Schedule 1, of The Manitoba Agricultural Credit Corporation for the fiscal year ended March 31, 1983. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, the financial statements present fairly the financial position of The Manitoba Agricultural Credit Corporation as at March 31, 1983 and the results of its operations for the year then ended in accordance with the accounting policies stated in note 2 to the financial statements applied on a basis consistent with that of the preceding year.

W. K. Ziprick, C.A.,
Provincial Auditor.

June 20, 1983,
Winnipeg, Manitoba.

The Manitoba Agricultural Credit Corporation

Balance Sheet

as at March 31, 1983 (with 1982 figures for comparison)

Assets

The Agricultural Credit Corporation Act

	1983	1982
Cash:		
On hand and in bank	$ 26,014	$ 322,529
On deposit with the Minister of Finance	2,519,100	926,861
	2,545,114	1,249,390
Accounts receivable:		
Rent	354,704	398,946
Sale of real estate	80,507	—
Conditional incentive grants and accrued interest	122,100	134,038
Other	7,040	4,074
	564,351	537,058
Stocker program advances receivable (Note 3)	775,000	818,385
Mortgages, chattels and agreements for sale receivable (Note 4)	160,854,618	151,351,278
Promissory notes receivable (Note 5)	3,022,901	3,755,162
Security agreements receivable (Note 6)	1,094,009	—
Real estate (Note 7)	6,921,470	6,863,451
Unamortized debt discount and expense	81,175	87,542
	175,858,638	164,662,266

Part III of The Fisheries Act

Cash on deposit with the Minister of Finance	35,696	164,992
Term deposit with the Minister of Finance	—	300,000
Prepaid expenses	701	586
Interest receivable from the Minister of Finance	—	5,424
Loans receivable, less allowance for doubtful accounts of $180,027 (1982 - $116,193)	2,698,996	1,862,012
	2,735,393	2,333,014
	$178,594,031	$166,995,280

APPROVED ON BEHALF OF THE BOARD

Director

Director

Liabilities

The Agricultural Credit Corporation Act

	1983	1982
Accounts payable:		
The Province of Manitoba	$ 655,972	$ 692,456
Other	1,404,105	1,185,135
	2,060,077	1,877,591
Trust accounts:		
Incentive grants	—	285
Rent paid in advance	48,693	13,111
Funds held pending disposition	31,356	18,412
	80,049	31,808
Advances from the Province of Manitoba (Note 8 a))	170,514,807	159,320,656
Reserve for Working Capital:		
Balance at beginning of year	3,432,211	3,432,211
Less: Excess of expenditure over revenue, Exhibit B	228,506	—
Balance at end of year	3,203,705	3,432,211
	175,858,638	164,662,266

Part III of The Fisheries Act

Accounts payable	7,104	4,725
Advances from the Province of Manitoba (Note 8 b))	2,700,000	2,300,000
Reserves for Working Capital:		
Balance at beginning of year and end of year	28,289	28,289
	2,735,393	2,333,014
	$178,594,031	$166,995,280

The accompanying notes are an integral part of these financial statements.

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The Manitoba Agricultural Credit Corporation

The Agricultural Credit Corporation Act

Statement of Revenue and Expenditure

for the year ended March 31, 1983 (with 1982 figures for comparison)

	1983	1982
Revenue:		
Interest:		
Mortgages, chattels and agreements for sale	$15,814,948	$12,043,272
Promissory notes	426,144	475,079
Stocker program	124,559	149,758
Security agreements	14,352	—
Cash on deposit with the Minister of Finance	3,738	2,665
Term deposit with the Minister of Finance	440,628	64,512
Real estate	834,994	1,266,458
Other	14,726	10,361
	17,674,089	14,012,105
Expenditure:		
Administration, Schedule 1	2,775,488	1,872,622
Financing charges, net:		
Interest on advances from the Province of Manitoba, amortization of debt discount and service charges	19,281,042	14,462,791
Less:		
Amount assumed by the Province of Manitoba (Note 2 b))	4,153,935	2,323,308
	15,127,107	12,139,483
	17,902,595	14,012,105
Excess of expenditure over revenue	$ 228,506	$ —

The accompanying notes are an integral part of these financial statements.

Exhibit C

The Manitoba Agricultural Credit Corporation

Part III of The Fisheries Act

Statement of Revenue and Expenditure

for the year ended March 31, 1983 (with 1982 figures for comparison)

	1983	1982
Revenue:		
Interest:		
Loans	$348,407	$242,683
Term deposit with the Minister of Finance	10,441	17,149
Grant from the Province of Manitoba re administration costs (Note 2 b))	320,056	265,144
	678,904	524,976
Expenditure:		
Administration costs:		
Salaries	209,277	180,279
Audit fees	6,120	5,415
Bad debts	100,903	28,876
Collection expenses	1,247	827
Corporation capital tax	170	170
Data processing	4,695	6,564
Employee benefits	10,041	9,655
Furniture and fixtures	1,477	735
Health and post secondary education tax levy	2,012	—
Miscellaneous	26	54
Postage	1,645	1,350
Rental of office premises	4,315	4,133
Stationery, supplies and equipment rentals	3,990	3,552
Telephone	7,214	6,389
Travelling	16,381	16,423
Workers compensation	822	722
	370,335	265,144
Financing charges, net:		
Interest on advances from the Province of Manitoba	308,569	342,827
Less: Amount assumed by the Province of Manitoba (Note 2b))	—	82,995
	308,569	259,832
	678,904	524,976
Excess of revenue over expenditure	$ —	$ —

The accompanying notes are an integral part of these financial statements.

Exhibit D

The Manitoba Agricultural Credit Corporation

The Agricultural Credit Corporation Act

Statement of Receipts and Disbursements

for the year ended March 31, 1983 (with 1982 figures for comparison)

Receipts:	1983	1982
Advances from the Province of Manitoba	$19,450,000	$39,700,000
Collections on account of mortgages, chattels and agreements for sale:		
Principal	8,683,357	7,112,151
Interest	15,218,116	10,684,138
Other charges	664,982	477,350
	24,566,455	18,273,639
Collections on accounts of promissory notes:		
Principal	641,371	534,028
Interest	413,544	420,216
	1,054,915	954,244
Collections on account of stocker program advances receivable:		
Principal	858,817	724,003
Interest	158,670	117,692
	1,017,487	841,695
Collections on account of security agreements receivable:		
Principal	33,827	–
Interest	79	–
	33,906	–
Interest:		
On cash on deposit with the Minister of Finance	3,738	2,665
On term deposit with the Minister of Finance	440,628	64,512
	444,366	67,177
Proceeds from term deposit	14,500,000	4,600,000
Proceeds from sale of real estate	154,918	529,931
Collections on account of land leasing	799,580	881,122
Collections on account of livestock incentive grants	14,085	34,014
Administration costs – Manitoba Interest Rate Relief Program	15,709	–
Miscellaneous	81,104	38,943
Trust account:		
Insurance claim proceeds	18,903	119,000
Real estate sales	68,871	184,719
	87,774	303,719
Total cash receipts	62,220,299	66,224,484
Cash on hand, in bank and on deposit with the Minister of Finance at beginning of year	1,249,390	237,048
	$63,469,689	$66,461,532

Disbursements:	1983	1982
Mortgages and agreements for sale	$16,244,650	$39,737,046
Promissory notes	26,587	43,619
Stocker program	885,384	681,481
Land and building, purchases	40,115	36,625
Security agreements	1,113,543	–
Sundry charges on account of mortgages	662,157	478,247
Taxes charged on land leasing	182,136	180,060
Young farmer rebates	1,801,158	1,127,303
Financing charges paid to the Province of Manitoba:		
Interest on advances and service charges, net	15,117,205	12,122,510
Repayment of capital advances to the Province of Manitoba	8,255,849	4,047,667
Repayment of defaulted livestock inventive grants to the Province of Manitoba	37,530	106,016
Purchase of term deposits	14,500,000	4,600,000
Administration costs	1,972,761	1,663,517
Miscellaneous	10,370	12,302
Trust account:		
Province of Manitoba incentive grants	100	3,809
Other	74,830	371,940
	74,930	375,749
Total cash disbursements	60,924,575	65,212,142
Cash on hand, in bank and on deposit with the Minister of Finance at end of year	2,545,114	1,249,390
	$63,469,689	$66,461,532

The accompanying notes are an integral part of these financial statements.

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The Manitoba Agricultural Credit Corporation

Part III of The Fisheries Act

Statement of Receipts and Disbursements

for the year ended March 31, 1983 (with 1982 figures for comparison)

	1983	1982
Receipts:		
Province of Manitoba:		
Advances	$ 700,000	$ 600,000
Grant re administration costs	320,056	348,139
	1,020,056	948,139
Collections on account of loans:		
Principal	2,203,796	2,769,667
Interest	313,217	215,063
	2,517,013	2,984,730
Interest on term deposit with the Minister of Finance	15,865	11,725
Sale of chattels	—	8,510
Proceeds from term deposit	300,000	—
Total cash receipts	3,852,934	3,953,104
Cash on deposit with the Minister of Finance at beginning of year	164,992	218,139
	$4,017,926	$4,171,243
Disbursements:		
Loans	$3,107,546	$3,128,711
Administration costs	266,115	234,713
Interest on advances from the Province of Manitoba	308,569	342,827
Purchase of term deposit	—	300,000
Repayment of advances from the Province of Manitoba	300,000	—
Total cash disbursements	3,982,230	4,006,251
Cash on deposit with the Minister of Finance at end of year	35,696	164,992
	$4,017,926	$4,171,243

The accompanying notes are an integral part of these financial statements.

The Manitoba Agricultural Credit Corporation

The Agricultural Credit Corporation Act

Schedule of Administration Expenditure

for the year ended March 31, 1983 (with 1982 figures for comparison)

	1983	1982
Salaries	$1,294,247	$1,127,161
Advertising	9,109	40,269
Audit fees	24,480	21,660
Bad debts — promissory notes	130,042	124,298
— mortgages, chattels and agreements for sale	468,385	52,680
— stocker program	35,842	43,080
— land lease program	172,214	35,180
Collection expenses	15,830	4,568
Corporation capital tax	20,593	20,593
Data processing	35,236	43,316
Directors' fees and expenses	32,428	21,473
Ear tags	5,713	2,262
Employee benefits	66,302	62,247
Guaranteed loan losses	106,248	17,445
Insurance	558	173
Health and post secondary education tax levy	14,837	—
Messenger service	4,345	2,980
Miscellaneous	986	1,089
Office furniture and equipment	30,095	4,774
Office rental, cleaning, light and power	75,634	69,595
Postage	21,860	19,304
Professional fees	6,046	6,135
Property taxes	29,768	15,811
Real estate maintenance	7,382	4,883
Relocation expenses	11,044	—
Stationery, office supplies and equipment rental	43,212	36,045
Telephone	27,544	21,922
Travelling	79,725	68,609
Workers compensation	5,783	5,070
Total administration expenditure, Exhibit B	$2,775,488	$1,872,622

The accompanying notes are an integral part of these financial statements.

The Manitoba Agricultural Credit Corporation

Notes to the Financial Statements

for the year ended March 31, 1983

1. The Manitoba Agricultural Credit Corporation is incorporated under a specific statute of the Province of Manitoba, being Chapter A-10 of the Revised Statutes of Manitoba, 1970.

2. Significant accounting policies of the Corporation are as follows:

   a) The Corporation carries out the following programs:

      i) It provides and administers financial assistance to farmers to assist in the development of farms under its Act;

      ii) It provides and administers loans to commercial fishermen under the Manitoba Fisheries Act;

   and the Corporation accounts for each of these programs separately.

   b) In accordance with the Acts under which it operates, the amounts by which the expenditures of the programs it administers exceed the related revenues may be recovered from the Province from its appropriations.

   c) The Corporation operates on an accrual basis of accounting except for the following:

      i) Equipment and office furniture are charged to operations in the year of acquisition.

      ii) Revenue from real estate is not offset by depreciation on farm buildings and equipment acquired together with land purchased for the land leasing operations.

      iii) In accordance with the provision of the Manitoba Civil Service Superannuation Act, the Corporation contributes 50% of the pension disbursements made to retired employees. Such payments are charged to operations as incurred and provision is not made in the accounts to fund current or past service obligations to the Superannuation Fund. On the basis of an actuarial report, the unfunded provision for the Corporation's employees amounted to $931,809 at December 31, 1982 (1981 - $800,352).

3. Stocker program advances receivable consisted of the following at March 31:

	1983	1982
Renewable interest bearing advances, 18 month term	$ 863,108	$ 872,135
Interest free advances, 12 month term discontinued in 1975-76	45,139	46,546
Interest bearing advances under programs discontinued in 1974-75	78,399	75,332
Accrued interest	1,668	1,844
	988,314	995,857
Less: Allowance for doubtful accounts	213,314	177,472
	$ 775,000	$ 818,385

The Manitoba Agricultural Credit Corporation

Notes to the Financial Statements

for the year ended March 31, 1983

4. A summary of mortgages, chattels and agreements receivable by years in which the instalments become due is as follows:

Receivable In	1983	1982
1 year	$ 14,218,961	$ 12,815,613
2 years	3,272,823	4,348,186
3 years	3,338,874	2,974,197
4 years	3,629,572	2,970,825
5 years	3,819,391	3,200,599
6 - 10 years	19,364,108	16,171,262
Over 10 years	113,626,619	108,949,755
	161,270,348	151,430,437
Less: Allowance for doubtful accounts	415,730	79,159
	$160,854,618	$151,351,278

At March 31, 1983, accrued interest of $9,396,377 (1982 - $7,886,122) and arrears of $3,938,804 (1982 - $2,787,000) are shown as maturing in one year. Prepayments of principal from borrowers of $3,644,775 (1982 - $2,562,717) have reduced the principal which would have normally become due in one year.

5. Promissory notes receivable are comprised mainly of loans made under the Farm Diversification Plan Program of the Province of Manitoba. Since 1976, those loans, which have been made for the purchase of livestock and equipment, have been secured by means of lien notes on the said livestock and equipment. Other loans under this program are unsecured. This program was terminated in December 1978. A summary of promissory notes receivable by years in which the instalments become due is as follows:

Receivable In	1983	1982
1 year	$1,537,128	$1,494,600
2 years	528,643	550,194
3 years	398,552	550,415
4 years	327,464	417,227
5 years	223,764	348,632
6 - 10 years	575,446	731,461
Over 10 years	137,940	251,302
	3,728,937	4,343,831
Less: Allowance for doubtful accounts	706,036	588,669
	$3,022,901	$3,755,162

At March 31, 1983, accrued interest of $222,817 (1982 - $256,878) and arrears of $881,329 (1982 - $786,851) are shown as maturing in one year. Prepayments of principal from borrowers of $98,956 (1982 - $95,891) have reduced the principal which would have normally become due in one year.

6. Security agreements receivable consist of advances totalling $1,094,009 made to farmers who are registered with the Manitoba Beef Commission. These advances are mainly repayable to the Corporation within fourteen months of disbursement.

At March 31, 1983, accrued interest of $14,272 and arrears of $2,842 are included in the total security agreements receivable.

The Manitoba Agricultural Credit Corporation

Notes to the Financial Statements

for the year ended March 31, 1983

7. Real estate consists of purchases for the land lease program, at cost, and foreclosures, at the lower of the foreclosed amounts or appraised values.

8. The advances from the Province of Manitoba consisted of the following at March 31:

a) The Agricultural Credit Corporation Act:

	1983	1982
Advances repayable in instalments	$151,664,807	$140,470,656
Advances repayable at maturity	18,850,000	18,850,000
	$170,514,807	$159,320,656

Advances repayable in instalments:

These advances are repayable in equal annual blended principal and interest instalments by series. The final instalment for the longest series is due on March 31, 2013. The interest rates are as follows: 7.5% - $47,429,110, 9.25% - $791,462, 9.625% - $642,505, 10.4% - $886,238, 10.55% - $4,482,145, 11.25% - $564,000, 11.375% - $4,089,000, 11.875% - $2,115,000, 12% - $28,598,682, 12.375% - $2,256,000, 12.75% - $282,000, 12.875% - $4,794,000, 13.625% - $13,562,013, 14.5% - $4,773,854, 14.85% - $42,562, 14.875% - $130,000, 15% - $480,000, 15.625% - $528,984, 15.75% - $70,000, 15.875% - $1,240,000, 16.125% - $30,000, 16.25% - $716,642, 16.375% - $2,074,181, 16.4% - $614,331, 16.5% - $9,214,503, 16.6% - $2,615,617, 16.625% - $290,000, 16.75% - $135,000, 16.875% - $15,164,954, 17% - $1,701,024, 17.375% - $500,000, 17.625% - $80,000, 17.75% - $770,000

Advances repayable at maturity:

These advances are $10,000,000 - 9.625% due May 1, 1989 and $8,850,000 - 12.74% due March 3, 2000.

b) Part III of The Fisheries Act:

	1983	1982
Advances repayable on demand, interest payable at prime rates	$ 2,700,000	$ 2,000,000
Advances repayable on November 13, 1982 without interest	—	300,000
	$ 2,700,000	$ 2,300,000

9. During the year ended March 31, 1983, the Corporation sold 9 of its properties. The results were as follows:

	Number of Properties	Sales Proceeds	Acquisition Cost (Note 7)	Gain
Sales to Lessees:				
Outside Financing	6	$233,458	$183,500	$ 49,958
Corporation Financing	3	85,470	69,095	16,375
	9	$318,928	$252,595	$ 66,333

The gains of $49,958 and $16,375 on sales to lessees resulted from adjustments on the exercise of purchase options by lessees of the previously charged lease rates to the lending rates in effect at the date of the lease. The total gain of $66,33C (1982 - $460,394) has been included in real estate revenue of $834,994 (1982 - $1,266,458).

The Manitoba Agricultural Credit Corporation

Notes to the Financial Statements

for the year ended March 31, 1983

10. Funds approved but not disbursed as at March 31 amounted to:

	1983	1982
a) The Agricultural Credit Corporation Act:		
Direct loans	$6,237,900	$5,126,100
Corporate loans	387,400	237,400
Stocker program	430,900	300,000
Land lease program	900	1,000
Crown land loans	—	434,200
Security agreements	503,000	—
Beef producers' income assurance plan loans	—	3,000
	$7,560,100	$6,101,700

The Corporate loans amount includes $237,400 which represents performance bond guarantees to agricultural marketing agencies.

b) Part III of The Fisheries Act:		
Direct loans	$ 271,900	$ 356,500

11. At March 31, 1983, the Corporation was contingently liable as guarantor of loans made under The Agricultural Credit Corporation Act by lending institutions as follows:

a) The Corporation is liable under its guarantee for losses sustained by the lending agencies on loans to individual farmers but the amount of liability to any one agency cannot exceed 10% of the total guaranteed loans made by the agency during a guarantee period. At March 31, the Corporation's contingent liability on the basis of 10% of loans made by agencies during various guarantee periods was:

	1983	1982
For the three year guarantee period ended December 31, 1971	$ —	$ 5,200
For the thirty-nine month guarantee period ended March 31, 1981	89,958	175,870
For the current three year period ending March 31, 1984	615,124	301,571
	$705,082	$482,641

b) The Corporation also fully guarantees loans to individuals for the purpose of farming. At March 31, 1983, these guaranteed loans amounted to $1,717,302 (1982 - $2,001,888).